

Follow up report – Audit Sub-Committee**February 2007**Type: System **SUBJECT: Bank Reconciliation** Date: August 2006**Introduction**

There were two recommendations included in this report within the high-risk category. The following details progress on implementing them.

Recommendations

High/Significant risk recommendations – two high-risk recommendations

Bank reconciliation procedure - In previous times the main bank reconciliation, cheque reconciliation and cash book maintenance were undertaken separately, at present one person undertakes all three functions, this is a control weakness. Maintaining the cash book, completing the records, reconciling the bank accounts and undertaking banking processes does not demonstrate good control.

Recommendations:

- a. **Introduce more separation of duties into the bank reconciliation process. Category – high**

Update – the cash book reconciliation is being undertaken by the accountancy section.

- b. **The cash book should be independently maintained from the bank reconciliation process. Category – high**

Update – reconciliation of the cash book to the ledger is up to date.

The above recommendations also appear in the Main Accounting Audit, as the bank reconciliation process is the ultimate control over the ledger.

System Control assessment***Update***

Additional separation of duties has been introduced into the bank reconciliation process. Significant progress continues to be made in reconciling the cash book to the ledger. The two books of account have been reconciled up to January 2007. The actions that arise out of such reconciliations are being dealt with on a regular and ordered basis.